

VZCZCXYZ0000  
OO RUEHWEB

DE RUEHBU #2272/01 3341339  
ZNY CCCCC ZZH  
O 301339Z NOV 07  
FM AMEMBASSY BUENOS AIRES  
TO RUEATRS/DEPT OF TREASURY WASHINGTON DC IMMEDIATE  
RUEHC/SECSTATE WASHDC IMMEDIATE 9805  
INFO RUEHAC/AMEMBASSY ASUNCION IMMEDIATE 6712  
RUEHBO/AMEMBASSY BOGOTA IMMEDIATE 1674  
RUEHBR/AMEMBASSY BRASILIA IMMEDIATE 6596  
RUEHCV/AMEMBASSY CARACAS IMMEDIATE 1607  
RUEHLP/AMEMBASSY LA PAZ NOV 5022  
RUEHPE/AMEMBASSY LIMA IMMEDIATE 2210  
RUEHME/AMEMBASSY MEXICO IMMEDIATE 1472  
RUEHMN/AMEMBASSY MONTEVIDEO IMMEDIATE 6917  
RUEHQT/AMEMBASSY QUITO IMMEDIATE 1030  
RUEHSG/AMEMBASSY SANTIAGO IMMEDIATE 0926  
RUEHSO/AMCONSUL SAO PAULO IMMEDIATE 3599  
RUEAIIA/CIA WASHINGTON DC IMMEDIATE  
RUEABND/DEA HQS WASHINGTON DC IMMEDIATE  
RHMFISS/DEPT OF HOMELAND SECURITY WASHINGTON DC IMMEDIATE  
RHMFISS/DEPT OF JUSTICE WASHINGTON DC IMMEDIATE

C O N F I D E N T I A L BUENOS AIRES 002272

SIPDIS

SIPDIS

TREASURY FOR TFFS, OFAC, FINCEN

E.O. 12958: DECL: 11/29/2027  
TAGS: [KTFN](#) [EFIN](#) [PTER](#) [PREL](#) [PARM](#) [MNUC](#) [AR](#) [BL](#) [CO](#) [PA](#)  
SUBJECT: GAFISUD WILL SUSPEND BOLIVIA, COLOMBIA, PARAGUAY  
DECEMBER 1, BUT RECENT PROGRESS GIVES HOPE FOR  
REINSTATEMENT

REF: BUENOS AIRES 2217

Classified By: EconOff Chris Landberg For Reasons 1.4 (B and D).

#### Summary

1. (C) The Executive Secretary of GAFISUD (the South American Financial Action Task Force), Alejandro Montesdeoca, told TreasAttache November 29 that Bolivia, Colombia, and Paraguay will have their membership in GAFISUD suspended as of December 1. Following Bolivia and Paraguay's recent partial payments and presentation of payment plans, Montesdeoca will argue for their reinstatement during the December 6-7 GAFISUD plenary in Buenos Aires. Colombia reportedly passed a law November 28 allowing payments to international institutions, but alleged Foreign Ministry opposition may block its entry into force. GAFISUD members will decide during the plenary on next steps for Colombia, which could include a letter to the President and/or sending a GAFISUD delegation to Bogota for high-level meetings. End Summary.

#### Bolivia and Paraguay -- Making an Effort

2. (C) In contrast to earlier reports (reftel), Montesdeoca said that the Government of Bolivia (GoB) appears to be making an effort to pay off its arrears to GAFISUD. The GoB did not pay any dues from 2000 (when GAFISUD was founded) through 2005, but since 2005 made four payments covering 2000-2004, and a fifth payment made just recently for 2005. According to Montesdeoca, Bolivia still owes dues for 2006 and 2007, but has presented a payment plan, promising to clear all arrears during first quarter 2008.

3. (C) Montesdeoca said Paraguay's President Nicanor Duarte Frutos had just signed a decree to pay three of the Government of Paraguay's (GoP) past due payments by early December (Paraguay has not paid dues to GAFISUD since its 2000 founding). The GoP has also presented a letter to GAFISUD proposing to pay the remaining back due payments by

March/April 2008. In addition, the new decree assures that SEPRELAD, Paraguay's Financial Investigative Unit (FIU), has within its annual budget funds to pay dues going forward. Montesdeoca gave the credit for these positive developments to Gabriel Gonzalez, the new head of SEPRELAD. Gonzalez conducted a last-ditch campaign to get the word out to the media and within the GoP about the possible negative affects of losing GAFISUD membership.

#### Colombia -- Law Passed but Questions Remain

14. (C) Since 2000 the Government of Colombia (GoC) has made three payments to GAFISUD, the last in 2004. Montesdeoca said that the Colombian Congress had passed a law on/about November 28 allowing the GoC to make payments to international institutions, including to GAFISUD. However, he has heard that it still requires some form of administrative approval, and there is reportedly strong enough opposition from within the Foreign Ministry to block its entry into force. Montesdeoca reiterated previous comments (reftel) that GAFISUD has not received any communication recently from the GoC's National Coordinator to GAFISUD. (Comment: As reported reftel, Colombia's National Coordinator has avoided all GAFISUD efforts to reach out to the GoC, and is not responding to emails or telephone calls. End Comment).

#### Actions for GAFISUD Plenary

15. (C) During the upcoming Plenary, Montesdeoca plans to recognize Bolivia and Paraguay's efforts to pay their arrears and come current on dues payments, and he will propose that GAFISUD lift the suspension of their memberships.

Montesdeoca will also propose the temporary suspension of the sanctions that GAFISUD earlier imposed on both countries (blocking voting rights and access to GAFISUD technical assistance programs). He will argue for giving the two countries until July 2008 to comply with the payment plans they have submitted, and the sanctions would be eliminated entirely if/when Bolivia and Paraguay come up to date on their payments.

16. (C) Montesdeoca said GAFISUD members would decide during the plenary what next steps to take with Colombia. He suggested two options. First GAFISUD could send a letter to Colombian President Uribe and National Coordinator, highlighting the problems with the GoC's arrears to GAFISUD and notifying the GoC of its suspension from GAFISUD. The letter would emphasize the negative impact this suspension could have on Colombia, the region, and on GAFISUD. Second, Montesdeoca also thought it likely that GAFISUD members would agree during the plenary to send a delegation to Colombia to meeting with high-level GoC officials to press the issue.

WAYNE